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FM SECSTATE WASHDC  
TO RUEHHK/AMCONSUL HONG KONG PRIORITY 7131  
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE  
RUEHBJ/AMEMBASSY BEIJING 9678

S E C R E T STATE 082250

SIPDIS

E.O. 12958: DECL: 08/07/2034  
TAGS: [MTCRE](#) [PARM](#) [PREL](#) [MNUC](#) [ETTC](#) [KSCA](#) [HK](#) [IR](#)  
SUBJECT: MALAYSIAN-BASED IRANIAN PROCUREMENT ENTITY  
SEEKING ELECTRONIC COMPONENTS FROM HONG KONG FIRM

Classified By: ISN/MTR DIRECTOR PAM DURHAM, REASON: 1.4 (C).

¶1. (U) This is an action request. Consulate Hong Kong, please see paragraph 3.

¶2. (S) Background: The United States has information that throughout the first half of 2009, the Malaysia-based firm Elite Advanced Solutions sought crystal filters and crystal oscillators from the Hong Kong firm Precision Devices Limited. Elite Advanced Solutions is a front company for Farazeh Equipment Distributor Company (FEDCO), an Iranian entity that procures equipment and technology on behalf of Iranian end-users of proliferation concern. Elite and FEDCO worked together in the past to obtain goods for Iran's UAV and ballistic missile programs. Crystal filters and oscillators are general purpose electronics and not controlled by the Missile Technology Control Regime (MTCR), but they can be used in aerospace applications. Moreover, we believe that Elite provided Precision Devices with an inaccurate description of the end-use of the materials in order to circumvent possible export restrictions. We want to bring this information to the attention of Hong Kong authorities and urge them to take measures to ensure that Precision Devices is not acting as a supplier to Iranian entities of proliferation concern or their affiliates.

¶3. (S) Action Request: Request Consulate Hong Kong approach appropriate host government officials to deliver talking points/non-paper in paragraph 4 below and report response. Talking points also may be provided as a non-paper.

¶4. (S) Begin talking points/non-paper:

(SECRET//REL HONG KONG)

--We would like to raise with you a matter of potential proliferation concern and request your government's assistance in investigating this activity.

--We have information indicating that through the first half of 2009, the Malaysia-based firm Elite Advanced Solutions was seeking crystal filters and crystal oscillators from the Hong Kong firm Precision Devices Limited.

--Although Elite Advanced Solutions is located in Malaysia, it is actually an Iranian-run front company for the Farazeh Equipment Distributor Company (FEDCO). FEDCO is an Iranian entity that acts as a purchaser of equipment and technology to support Iranian end-users of proliferation concern.

--Although crystal filters and crystal oscillators are general purpose electronics and are not controlled by the Missile Technology Control Regime (MTCR), they can be used in aerospace applications.

--A representative of Elite Advanced Solutions advised Precision Devices Limited that the filters and oscillators

would be used in telecommunications in Malaysia.

--However, given that Elite is a front company for Iran's FEDCO, we believe the representative likely was providing an inaccurate description of where these items would be used in order to circumvent possible export restrictions.

--Elite and FEDCO previously procured goods on behalf of Iran's UAV and ballistic missile programs. We therefore are concerned that these items may be intended for a missile-related end-use in Iran.

--We request that you investigate this information, and take measures to ensure that Precision Devices is not acting as a supplier to Iran's missile program through exports to Elite Advanced Solutions or other entities affiliated with FEDCO, including Malaysia's Evertop Services and Singapore's Opto Electronics and Microsun Electronics.

--We look forward to continued cooperation on export control and nonproliferation issues and would appreciate hearing of the actions you take in response to this information at the earliest possible time.

End talking points/non-paper

15. (U) Washington POC is ISN/MTR John Paul Herrmann (Phone: 202-647-1430). Please slug any reporting on this issue for ISN/MTR and EAP/CM.  
CLINTON